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HONG KONG QUICK TO RECOVER TRADE

Depression in Business Following Armistice Has Been Overcome—Local Industries Gain.

HONG KONG, China, April 15.—It is doubtful if there is another important port in the world belonging to a Power concerned in the Great War which has readjusted itself so readily and easily to post-war conditions as Hong Kong. While the colony was directly concerned in hostilities only to a limited extent, its trade and very life have been profoundly affected by the struggle. On the other hand, since its trade and general existence depend upon other countries and are in fact a reflection of general conditions in all this part of the world, the manner in which it has responded to new conditions is most significant.

During 1919 there was a constantly expanding trade, constantly improving social and political conditions, and constantly increasing confidence in the future. The general spirit of depression and lassitude which characterized everything at the beginning of the year gave way to a spirit of optimism and enterprise, and in practically every line of business there is every prospect of a successful future.

On the whole the year was a good one in a business way. Trade was not so large as it might have been in some of the more or less staple lines, but on the other hand there was a special demand for other South China goods which was very satisfactory. The record shows a value of trade for 1919, while in the matter of profits, there is nothing to complain of. The depression in some lines of trade which followed the armistice has been overcome, and stocks acquired at high prices have been worked off successfully with a minimum of loss, if any at all. The maintenance of prices, where indeed prices did not advance, enabled dealers in almost all lines to conduct a successful year's business. With very few exceptions, local industries had a very successful year.

The colony in general has found its feet after the war and bids fair to maintain its hold upon the great trade with all this part of the world which has made it what it is. In social and political lines, too, there has been an awakening. The colony now has in hand more public improvements, especially of the sort that work for general social advancement, than ever before in its history.

There is more of a spirit of general progress abroad than has been noted for many years. The reaction from the war is in full swing, and there is every reason to anticipate that it will have notable results.

Far Eastern Trade Notes.

The monthly increments by which Japan's adverse balance of trade has rapidly mounted to an approximate total of \$100,000,000 for the first three months of 1920 were roughly \$14,000,000 during January, \$16,000,000 during February, and \$17,000,000 during March. This is one of the principal factors behind Japan's financial disturbance.

An activity in the Japanese cement market early in March, unusual at that season of the year, was reported by Consul General George H. Seldmore. In view of the prospects of an increased demand to meet the needs of the extensive construction of factories and other buildings, speculators were evidently buying up all the available stocks, which were not large, since manufacturers generally disposed of their output the latter part of 1919, at from \$3.45 to \$3.95 a barrel. A sudden rise in price to about \$7 a barrel was the result. The present annual production is estimated at from 6,000,000 to 7,000,000 barrels.

As the demand for cement in India has considerably increased with the projection of numerous irrigation and harbor construction plans, and the extensive building operations at the same time, importations from Europe have been restricted, owing both to the increasing daily demands and the prevailing high freight rates. Several concerns are investigating the possibilities of increasing the output in India, as the prospects for cement manufacturing there are said to be distinctly good.

It is believed, according to Vice-Consul Carl C. Hansen of Bangkok, that there will be an increasing demand in Siam for brushwork, especially tooth and hair brushes. Brushes are not listed among the articles imported or exported, and brushes are not manufactured in Siam, but have been imported from the United Kingdom. However, certain American makes have recently become so popular that supplies are not always equal to the demand.

That investments in public service corporations in China which do not require Government loans are not always safe is demonstrated by the fact that although an electric light plant has been installed by Japanese interests in a certain city in China, so many Chinese installed small gasoline or kerosene driven units and sold light to as many of their neighbors as can be included on the circuit that the financial future of this municipal plant has become problematical.

The Chinese laws provide that all agreements or contracts regarding mines, railways, or other public property, made between provincial authorities or Chinese private individuals and foreigners are invalid unless they have received the sanction of the Central Government. In Peking, misunderstandings have arisen on the subject, and hence Acting Commercial Attaché C. C. Batcher suggests that all Americans who are interested in such matters should take steps to become thoroughly familiar with conditions before taking any definite action.

The principal taxes required in the Nagoya consular district are starin and paraffin, and as these have been imported largely from the United States in the past, American exporters may be interested in the fact that increasing quantities of starin are now being re-exported from Australia and of paraffin from the Dutch East Indies and British India, and that the olein is also in demand for soap making.

American Motors for Manchuria. MUKDEN, May 4.—American motor trucks will soon be furnishing Manchuria with much needed transportation. For Consul General Baker has resigned from the American consular service to form a Sino-American transportation company, which will operate a line of motor trucks between Binchun-tun and Cheng-chia-tun. Another company is now planning to operate a fleet of five-ton motor trucks to run between Changchun and Harbin.

CHINA'S CUSTOMS SYSTEM GROWS MORE SCIENTIFIC

Practical Explanation of Methods of Levying Duties Made by Expert for the Benefit of American Traders.

By G. PASSERI,

[Written Especially for THE SUN AND NEW YORK HERALD.]

The systems of taxation in vogue in China for levying duties on import and export goods as well as on the internal trade of the country, form the subject of a very interesting study, as their characteristics cannot be properly described without a knowledge of the singular traits of the history of her foreign relations. But it would not be within the scope of this article, which is written for practical purposes, to dilate more than necessary on this aspect of the important question. The working of the system itself, in its details, is in general little known by the foreign merchant, who is only concerned with the amount of duty that he has to pay and does not worry about the manner in which the expression of this amount is arrived at. The knowledge of the intricate methods of taxation existing in China today may, however, be of use to the American business man wishing to extend the scope of his activities to China, particularly to those who will eventually penetrate into the interior to compete with the Chinese themselves in the development of her resources.

In the early days of foreign trade relations with China no fixed system of taxation existed, and foreign merchants were compelled to go to a great deal of trouble and had to stand for all sorts of vexations from the unfriendly mandarins in order to trade with the few Chinese who began to enjoy certain amount of freedom and were allowed to deal with the natives without unreasonable extortions or undue interference.

It was not, however, until 1852, at the time of the Taiping rebellion that the status of the foreign merchant was well defined and a system of uniform taxation introduced. The officials, frightened by the unexpected spread of the Taiping uprising, in their anxiety to restore order, forgot their material interest, and before leaving their posts they arranged with the Consuls of the nations interested, for the levying of duties on the basis of a moderate 5 per cent. The system, however, notwithstanding the strict adherence to their obligations on the part of the foreign traders, did not prove very successful, and one year later in 1854, the Chinese authorities consented to appoint a commission of merchants to supervise the customs. This commission was composed of an American, a Britisher and a Frenchman.

Under Foreign Control.

These are the origins of the "Chinese Maritime Customs" as existing to-day with a mixed staff of foreigners and Chinese, practically under foreign control. In 1859, after a series of peculiar incidents, the rule was enforced that a "British subject" shall be selected for the post of high officer to administer a uniform system of customs at the ports and in the inland waters, by sea, by river, by land, and by air.

The first Inspector-General, Mr. Lay, is responsible for the "Rules of Trade" and the "tariff" of 1859, still in force to-day for exports from China, and for the "tariff" of 1860, still in force to-day for imports into China. The system of customs was established in 1842, revised in 1858, and was in force until 1901 at the time of the Boxer rebellion. An indemnity of \$4,000,000 was imposed on China at the time as a punishment for the support given by the Chinese Government to the above mentioned uprising. It must be mentioned here incidentally that the United States share of this punitive indemnity was returned to China a few years later by the American Government, and was applied to the development of the country.

The security given by China for the payment of the huge sum was the "revenue from the Chinese maritime customs" and consequently the foreign powers in order to enhance the value of that security allowed a new revision of the obsolete tariff still based on prices for commodities that had been ruling forty-three years before. At the time an agreement was entered into with the Chinese Government stipulating for the revision of the tariff every ten years, in order to allow a revenue to the customs based on nearly as portable on a "5 per cent." But it was only in 1918, seventeen years later, that the foreign powers compelled the revision to come into effect. China for having entered the war, the new tariff is based on the prices of commodities ruling in 1913-1914, and China is thus "paying" the tariff even now the full "5 per cent" duty.

A More Scientific Tariff.

In the new tariff attempts at scientific classification have been made, but

COMBINE TO AID RUSSIAN TRADE

Two Strong Organizations Here Unite.

Announcement has just been made of the amalgamation of the Russian Export and Import Association and the American-Russian Chamber of Commerce under the name of the latter. This marks an important step in the promotion of future commercial relations between the United States and Russia.

The work of the American-Russian Chamber of Commerce is well known. The Russian Economic League, formed by important Russian firms, by coming into the American-Russian Chamber of Commerce these representatives of Russian trade and industry bring to the organization the intimate knowledge of Russian economic problems and will therefore add to the effectiveness of the organization.

William C. Redfield, until recently Secretary of the Russian Export and Import Association, is now president of the American-Russian Chamber of Commerce, and S. R. Bertrone, of Bertrone, Gilman & Co., is the chairman of the executive committee. Its membership includes a number of the most important business men and enterprises, who recognize the growing importance of Russia as an American problem and the necessity of keeping in close touch with economic developments there preparatory to future work. The headquarters of the American-Russian Chamber of Commerce are in the Woolworth Building.

Far East Buying Jewelry.

Traveling representatives of American jewelry houses report a largely increased business in all lines of the jewelry trade all over the Far East, especially in Japan and China. The most important reported, particularly in Japan, where it is stated that in addition to the greatly increased import of watches for use in the country, there is a new trade made for Chinese watches. A new trade schedule goes into effect in the course of the current year. Similar increases in trade in Hongkong also are reported.

NEW MARKET OPEN FOR U. S. EXPORTS

Depreciation of American Dollar in China and India Makes a Field.

The present depreciation of the American dollar in China and India is opening up great markets for American export, according to a statement by the National Foreign Trade Council. Furthermore, the native buying power has more than doubled in the last four years.

In China alone it is estimated that 150 American firms have established offices since the war. The older established firms, both European and American, are not worrying over the possibility of increased competition. There is plenty of room for all that may wish to come; but the general belief is that the newcomers have not the necessary patience to deal with the Chinese and to wait two or three years for definite results. In a recent interview Mr. Hsu En-Yuan, the Chinese president of the new Sino-American Bank, declared: "Both in the Chinese Government and outside it is felt that small dependence can be placed on American business or financial policy. About once in every five years American men of business become interested in China, but this interest does not last long. Something always happens to frighten the bankers away. First it is a change in political affairs at home; then international politics are too blame; then again the business men and financial representatives sent to China become impatient of the delays and intrigues always present in Chinese affairs, grow tired of the interminable negotiations, and go home."

China, with its awakening population of over 400,000,000, is a field that the American manufacturer cannot afford to neglect. The future possibilities of its markets are so tremendous that they readily merit the study to be given them at the recent national foreign trade convention to be held in San Francisco, May 12-15 next. Both Chinese and American experts on Oriental trade will be on hand to supply information and advice.

GIVES WATER POWER TO MAKE FERTILIZER

Dutch East Indies Governmentment Makes Concession.

A concession has just been granted by the Dutch East Indies Government to L. A. Sand, a Norwegian residing at Pakilang, Pekalongan, Java, allowing him to divert the whole of the waters of the Moesi River at or near the village of Despatch in the residency of Benkoelen, Sumatra, through a proposed short tunnel under the Barisan range of mountains and thence into the Indian Ocean a little to the north of the port of Benkoelen.

The concession has been granted primarily for a period of forty years and for the purpose of admitting the generation of electricity needed for the manufacture of fertilizers. A yearly payment of one guilder per horsepower has to be made to the Government, beginning in November, 1925, the number of horsepower being fixed at one seventy-fifth of the product of the number of liters of water passing the turbines per second and the number of meters of static head.

The concession carries with it the exclusive right to mine, for the purpose of manufacture only, the coal and limestone known to exist around the proposed site of the station, as well as the right to build the forty kilometers of railway needed to connect the proposed station with the Poedja Bay of Benkoelen, and the same is built by the State, as in all probability will be the case, the line forming part of the railway which will connect Benkoelen with Telok Betoeng, Palembang, Padang and Medan.

AUSTRALIANS "GAS" CACTUS.

Pasture Lands Inflicted With Pest From America.

Queensland, Australia, is resorting to chlorine gas, as used in the war, to rid its valuable pasture lands of the prickly pear, or cactus, introduced there from America about fifty years ago.

Edward G. Theodore, Premier of Queensland, said yesterday: "About 20,000,000 acres have become infested with the pear and the problem of preventing their further spread is a grave one. The cactus was imported for use as a natural hedge. Arsenic has been used with partial success but is slow. Mr. Theodore said, the Premier is staying at the Hotel Wolcott and will leave for London in a few days. It is understood that the Premier is making the trip to London to obtain money from the London markets in order to establish Government steel and iron works in Queensland and for the development of the country's railways, harbors and roads. He will also seek to make arrangements with the Imperial Government to accommodate returned soldiers who may seek agricultural land grants."

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at Australia's refusal to accept the ships presented by the Ministry, declared that the ships offered were not of the type required. But Australia was not ungrateful. Mr. Pearce pointed out. The vessels offered were small non-rigid coastal balloons, known as "blimps."

ADELAIDE—The All Australia Peace Exhibition, the most comprehensive display of its kind ever held in Australia, has been opened here by Premier Peake. The most interesting specimens of Australian made goods from the various States are on view and the whole collection gives a good idea of the industrial progress made by the Commonwealth. The display, which is under the auspices of the South Australian Chamber of Manufacturers, will last eight weeks.

SYDNEY—The Pope, according to dispatches here, received in private audience Mr. Michael Kelly, the Archbishop of Sydney, who made a report to His Holiness on conditions in Australia, both from religious and political standpoints.

MELBOURNE—Replying to a question in the House of Representatives, Sir Joseph Cook, Minister for the Navy, said that Australia was not ungrateful. Mr. Pearce pointed out. The vessels offered were small non-rigid coastal balloons, known as "blimps."

MELBOURNE—The price of sugar has been fixed at 12 cents a pound retail in Australia, according to an announcement by Prime Minister Hughes. The wholesale price has been fixed at 10 cents per ton (normally about \$238.14). Strong protests are being raised against what is described as the heavy increase in the retail price of sugar according to advice from Brisbane. The Commissioner, under the Profiteering act, has fixed the price for sugar in Queensland at 7 cents per pound.

AUSTRALIAN NEWS.

MELBOURNE—Minister of Defence Pearce, according to the latest report from the British Air Ministry officers were surprised

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Kaikun Hotel

KARUIZAWA
Mikasa Hotel

KOBE
Oriental Hotel

KYOTO
Kyoto Hotel
Miyako Hotel

MATSUSHIMA
Park Hotel

MIYAJIMA
Miyajima Hotel

MIYANOSHITA
Fujiya Hotel

NARA
Nara Hotel

NIKKO
Kanaya Hotel
Nikko Hotel

OSAKA
Osaka Hotel

SHIMONOSEKI
San-yo Hotel

SHIZUOKA
Daitokwan Hotel

TOKYO
Imperial Hotel
Tokyo Station Hotel
Tsukiji Seiyoken Hotel

YOKOHAMA
Grand Hotel

In Manchuria:

YAMATO HOTEL
Changchun

YAMATO HOTEL
Dairen

YAMATO HOTEL
Hoshigaura

YAMATO HOTEL
Hoten (Mukden)

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DEADLY DROUGHT HURTS AUSTRALIA.

Lack of Water Affects Mining as Well as Farming.

Like the wheat harvest and the wool clip, the mineral output of New South Wales in 1919 is expected to show considerable decrease and mainly for the same reason—the drought, says the Sydney Morning Herald. Water for mining operations was almost as scarce as for pastoral and agricultural purposes. Many mines were forced to shut down or curtail operations.

Reports of the Bureau of Mines indicate a decrease of 15,000 ounces in the gold production. Figures for copper and silver lead are not yet available, but will doubtless be lower than 1918.

South African Males Area Less.

Consul Fred D. Fisher reports from Johannesburg, South Africa, that the area of maize under cultivation this season in the Union of South Africa is 21 per cent. less than the previous season, the low yield districts in the Transvaal alone reporting an increased acreage. A yield of 12,307,400 bags of maize in 1919 is expected, provided the conditions under which the crops mature are normal.

Useful Product From Waste.

It is reported that an Australian manufacturer has invented and patented a new composition, called "Keltone," made partly from waste products, which can be used for veneering, imitation linings, chair bottoms and for most purposes for which wood and stone are now used. The cost is low compared to the materials for which it may be substituted. The composition, which can be made from any vegetable fibre, takes a high polish.

AUSTRALIAN NEWS.

MELBOURNE—Minister of Defence Pearce, according to the latest report from the British Air Ministry officers were surprised